

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07  
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15  
USIA-06 ACDA-07 IO-13 DHA-05 NEA-10 AF-10 EB-08  
OMB-01 TRSE-00 CU-04 ARA-10 /127 W  
-----095896 292116Z /63

P 291730Z SEP 77

FM AMEMBASSY ROME  
TO SECSTATE WASHDC PRIORITY 7502  
INFO AMEMBASSY PARIS PRIORITY

C O N F I D E N T I A L SECTION 1 OF 2 ROME 15941

E.O. 11652: GDS  
TAGS: PINT, IT  
SUBJECT: MEETING WITH PSI LEADER BETTINO CRAXI

1. SUMMARY: TONE OF AMBASSADOR'S PRIVATE LUNCH SEPTEMBER 27 WITH PSI SECRETARY CRAXI WAS DECIDELY UPBEAT. SOCIALIST LEADER PRAISED CARTER ADMINISTRATION FOREIGN POLICY. DISPUTING REPORTS OF PSI INTERNAL DISHARMONY AND FALLING PARTY STRENGTH, CRAXI UNCONVINCINGLY CLAIMED HIS PROGRAM FOR PULLING PARTY TOGETHER IS ON SCHEDULE. HE DE-EMPHASIZED SOCIALIST TIES WITH THE PCI AND DID NOT RULE OUT A PSI-DC ALLIANCE AFTER THE NEXT LEGISLATIVE ELECTIONS, WHICH HE DOES NOT FORESEE UNTIL SPRING 1979 AT EARLIEST. HE SPECULATED THAT RUPTURE BETWEEN FRENCH COMMUNISTS AND SOCIALISTS MAY HAVE BEEN PROVOKED BY PCF ELEMENTS RESPONDING TO SOVIET INSTRUCTIONS. AMBASSADOR LISTENED WITHOUT COMMENT TO APPEAL FOR AID FROM US AND EUROPEAN PRIVATE SECOTR TO NON-COMMUNIST PARTIES. FRIENDLY ENCOUNTER ENDED WITH AGREEMENT TO INTENSIFY EMBASSY CONTACTS WITH PSI. END SUMMARY.

2. THE AMBASSADOR HAD A CORDIAL AND PRODUCTIVE TWO-HOUR LUNCHEON SEPTEMBER 27 WITH BETTINO CRAXI, SECRETARY OF THE ITALIAN SOCIALIST PARTY (PSI). AT CRAXI'S REQUEST,  
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THE MEETING WAS "A QUATTRO OCCHI" (HEAD-TO-HEAD). HIGH-LIGHTS OF CONVERSATION FOLLOW.

3. CRAXI BEGAN, IN RESPONSE TO AMBASSADOR'S REQUEST, BY GIVING HIS VIEWS ABOUT CARTER ADMINISTRATION'S FOREIGN POLICY. HE TOOK VERY AFFIRMATIVE LINE BOTH ON ADMINISTRATION'S FOREIGN POLICY AND ACTION OF OUR MISSION HERE.

HE PRAISED IN PARTICULAR PRESIDENT'S INITIATIVES ON HUMAN RIGHTS, DISARMAMENT, MIDDLE EAST, AND SOUTHERN AFRICA. HE EXPRESSED HOPE THAT WE WOULD KEEP "PRESSURE" ON PINOCHET IN CHILE, WHICH HE REGARDS AS KEY TEST FOR U.S.

4. TURNING TO DEVELOPMENTS IN PSI, AMBASSADOR RECALLED MEETING CRAXI HAD WITH EMBASSY OFFICERS SHORTLY AFTER ASSUMING PARTY LEADERSHIP ONE YEAR AGO. AT THAT TIME, CRAXI OUTLINED HIS PLANS FOR PULLING PARTY TOGETHER AND GIVING IT BETTER DEFINED, PROGRESSIVE, MODERATE, NON-COMMUNIST IMAGE THAT COULD DRAW MORE ELECTORAL SUPPORT. NOT VERY CONVINCINGLY, CRAXI SAID HIS PLANS OF YEAR AGO WERE PROCEEDING "ON SCHEDULE" AND THAT RENOVATION OF PARTY UNDER HIS LEADERSHIP WOULD BE COMPLETED AT PSI CONGRESS SCHEDULED FOR EARLY NEXT YEAR. HE DEFINED HIS STRATEGY AS KEEPING PARTY "AUTONOMOUS" -- INDEPENDENT OF BOTH COMMUNISTS AND CHRISTIAN DEMOCRATS, BECAUSE IN PARTY'S PRESENT WEAK CONDITION ALLIANCE WITH EITHER WOULD RESULT IN IT BEING "SWALLOWED UP" BY THE LARGER PARTNER. ALTHOUGH PARTY IS STILL FORMALLY COMMITTED TO CONCEPT OF "LEFT ALTERNATIVE" (PSI-PCI COALITION GOVERNMENT), HE FREELY ADMITTED THAT THIS WAS VERY LONG-RANGE AIM AND WOULD BE SAFE ONLY AFTER PCI EVOLVED TOWARDS SOCIAL DEMOCRACY, WHICH HE SAID WOULD REQUIRE MUCH MORE TIME, E.G. TEN  
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YEARS. IN MEANTIME, HE SAID A PSI-DC ALLIANCE IN GOVERNING THE COUNTRY AFTER THE NEXT LEGISLATIVE ELECTIONS WAS NOT TO BE EXCLUDED, "BUT I DON'T HAVE TO MAKE THE CHOICE NOW." TO BE A SIGNIFICANT CONDITIONING ELEMENT IN A GOVERNMENTAL ALLIANCE, HE FEELS HIS PARTY NEEDS TO INCREASE FROM ITS 4 MILLION VOTES OF 1976 TO 6 OR 7 MILLION. WHEN AMBASSADOR CITED PRESS REPORTS THAT PSI PARTY INSCRIPTIONS HAD FALLEN BY 20 PERCENT THIS YEAR CRAXI EXPLAINED THAT INSCRIPTION FEE HAD INCREASED FROM 1000 LIRE TO 5000 LIRE AND THAT SUCH STATISTICS WERE MEANINGLESS BECAUSE OLD INSCRIPTION FIGURES WERE INFLATED BY PARTY LEADERS PERSONALLY BUYING UP MULTIPLE INSCRIPTIONS.

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OMB-01 TRSE-00 CU-04 ARA-10 /127 W  
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FM AMEMBASSY ROME  
TO SECSTATE WASHDC PRIORITY 7503  
INFO AMEMBASSY PARIS PRIORITY

C O N F I D E N T I A L SECTION 2 OF 2 ROME 15941

5. ON PROSPECTS FOR ANDREOTTI GOVERNMENT, CRAXI EXPECTED IT WOULD LAST THROUGH THE "SEMESTRE BIANCO" WITH NO NATIONAL ELECTIONS UNTIL SPRING OF 1979, AT THE EARLIEST. SUCH A PERIOD OF STABILITY, IN HIS VIEW, IS IN EVERYONE'S INTEREST. TO THAT END, HE SAID THAT ALL PARTIES EXCEPT PSDI-- WHICH "DOES NOT COUNT FOR MUCH" -- FAVORED POSTPONEMENT OF ADMINISTRATIVE ELECTIONS SCHEDULED FOR NOVEMBER.

6. ASKED TO COMMENT ON FRENCH POLITICAL SITUATION, CRAXI SAID IT WAS CLEAR THAT USSR FEARED EUROCOMMUNISM AND PARTICULARLY A LEFT ALLIANCE VICTORY IN A COUNTRY LIKE FRANCE WHERE COMMUNISTS WERE JUNIOR PARTNERS TO SOCIALISTS AND MIGHT BE CONSTRAINED IN A GOVERNMENT COALITION TO ABANDON THEIR ORTHODOX AND PRO-SOVIET WAYS. HE SPECULATED THAT PSF-PCF RUPTURE MIGHT HAVE BEEN DELIBERATELY PROVOKED BY PCF ELEMENTS RESPONDING TO SOVIET INSTRUCTIONS. IN ANY CASE, HE OPINED THAT MITTERRAND WAS UNDER NO PRESSURE TO COMPROMISE WITH COMMUNISTS BECAUSE HIS MAIN AIM WAS TO BECOME PRESIDENT OF FRANCE, HIS CHANCES, IN CRAXI'S VIEW,  
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WOULD BE EXCELLENT SINCE HE WOULD LIKELY FACE SEPARATE CANDIDACIES OF GISCARD AND CHIRAC AND COULD BEAT EITHER ONE OF THEM IN A RUN-OFF.

7. CRAXI EXPRESSED DEEP ANXIETY ABOUT GROWTH OF COMMUNIST POWER AND INFLUENCE IN WESTERN SOCIETIES WHICH HE SAID WAS NOT DUE TO THEIR INTRINSIC ABILITY

TO APPEAL TO THE MASSES BUT RATHER THEIR SUPERIOR ORGANIZATIONAL SKILLS. HE COMPLAINED THAT THE PCI HAS A "VERITABLE ARMY" OF FULL TIME AND PART TIME FUNCTIONARIES BUILDING MASS SUPPORT WHILE OTHER PARTIES ARE WEAK AND DISORGANIZED. HE SAID THIS WAS MADE POSSIBLE BY VAST FINANCIAL RESOURCES FUNNELED TO PCI FROM TRADE DEALS WITH USSR -- RESOURCES WHICH "MADE LOCKHEED LOOK PUNY BY COMPARISON." HE SAID HE KNOW THAT DIRECT FINANCIAL AID FROM US GOVERNMENT TO NON-COMMUNIST ITALIAN PARTIES WAS UNWISE BUT SUGGESTED THAT SOME WAY HAD TO BE FOUND IN WHICH PRIVATE SECTOR OF EUROPE AND U.S. COULD GIVE FINANCIAL HELP TO NON-COMMUNIST PARTIES COMPARABLE TO WHAT COMMUNISTS WERE RECEIVING FROM COMMUNIST DEALINGS WITH USSR. THE AMBASSADOR AGREED THAT CRAXI HAD IDENTIFIED A GENERIC PROBLEM BUT AVOIDED ANY COMMENT ON CRAXI'S SPECIFIC SUGGESTION.

8. AS ANOTHER EXAMPLE OF COMMUNIST SUPERIOR ORGANIZING SKILL, CRAXI CITED PERIODIC WORLD COMMUNIST YOUTH CONFERENCES, WHICH HE SAID HAD SUCCEEDED IN BUILDING NETWORK OF COMMUNIST-INDOCTRINATED POLITICAL LEADERS ALL OVER WORLD. HE LAMENTED FORTHCOMING COMMUNIST YOUTH CONFERENCE IN CUBA, WHICH HE SAID WAS "BEING FINANCED BY THE UN." HE URGED THAT CARTER ADMINISTRATION GIVE URGENT THOUGHT TO WORKING WITH NON-COMMUNIST FORCES OF EUROPE, INCLUDING PSI, TO  
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ORGANIZE EQUALLY POTENT YOUTH CONFERENCE TWO YEARS FROM NOW WHICH COULD BREAK WHAT HE CLEARLY REGARDS AS COMMUNIST DOMINATION OF WORLD YOUTH MOVEMENTS.

9. AT END OF ENCOUNTER, CRAXI AND AMBASSADOR AGREED TO HAVE PRIVATE LUNCHEES PERIODICALLY. CRAXI ALSO PROPOSED AN INFORMAL EVENING AT HIS HOME IN WHICH AMBASSADOR COULD MEET WITH KEY FIGURES IN PSI, PARTICULARLY SOME OF THE NEW LEADERSHIP. CRAXI FURTHER AGREED THAT POLITICAL COUNSELOR SHOULD HAVE REGULAR ACCESS TO HIM AND THAT REGULARIZED CONTACT SHOULD BE ESTABLISHED AT STAFF LEVEL WITH CLOSE CRAXI ASSOCIATE. HE ALSO PROMED TO SUPPLY NAMES OF 4-5 YOUNG PSI LEADERS TO GO TO U.S. ON IVP PROGRAM. HE DID NOT RAISE QUESTION OF POSSIBLE TRIP FOR HIMSELF.

10. COMMENT: LUNCHEON WENT MUCH BETTER THAN AMBASSADOR HAD ANTICIPATED, IN VIEW OF REPORTS WE HAVE HEARD OF CRAXI'S DISAPPOINTMENT ABOUT HIS HOPED-FOR U.S. VISIT AND REPORTS THAT HE FELT NEGLECTED BY U.S. HE WAS EXTREMELY WARM AND AFFIRMATIVE AND MADE NO CRITICISMS WHATSOEVER OF ADMINISTRATION OR

THIS EMBASSY. HE IMPRESSED AMBASSADOR AS A SINCERE  
MAN GENUINELY GROPING TO CUT LOOSE FROM PRO-COMMUNIST  
AND RADICAL ELEMENTS IN HIS PARTY WHICH HAD DAMAGED  
PSI'S ELECTORAL PROSPECTS. AT SAME TIME, IT WAS HARD  
TO TAKE SERIOUSLY HIS OPTIMISTIC FORECASTS FOR HIS  
PARTY. HIS LIMITS AS INTELLECT AND INFORMED THINKER ON WORLD  
AFFAIRS WERE ALSO EVIDENT. EXAMPLE: HE WAS UNDER  
IMPRESSION THAT U.S. WAS "VIRTUALLY SELF-SUFFICIENT IN  
OIL" AND EXPRESSED SUPRISE ON BEING TOLD THAT  
WE WERE NOW IMPORTING OVER 40 PERCENT OF OUR NEEDS.  
HOLMES

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## Message Attributes

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